(c) The Agreement provides a shorter route to Russia and beyond *via* Iran from the Indian ports. Our exports will get a competitive advantage because there will be saving of cost and time. Preliminary indications are that this Corridor can facilitate 20% reduction in delivery time and about the same saving in transportation costs also. The Corridor would provide a superior transportation system not only for trade between India and Russia but also for the EXIM trade of all the countries located close to this Corridor. It would thus be a boon for the trade and commerce of the region by offering a cost effective and faster solution to their transportation needs, which will ultimately benefit the consumers in the participating countries. Shipping Corporation of India already has a Joint Venture with the Islamic Republic of Iran Shipping Line Limited (IRISL). This is a successful joint venture and this Agreement will further promote cargo movement by this company. Transit movement will be better and faster as a result of the enabling provision in this Agreement.

New Maritime Policy for Global Shipping Industries

568. PROF. M. SANKARALINGAM: Will the Minister of SHIPPING be pleased to state:

(a) whether it is a fact that his Ministry has suggested a new Maritime Policy with a promotional fiscal regime to help the domestic industry and to become globally competitive;

(b) if so, the details thereof;

(c) if not, the reasons therefor;

(d) the share of India's shipping fleet in the global shipping industry;

(e) whether it is also a fact that proportion of India's sea-borne trade carried by the domestic ships has been steadily decreasing; and

(f) if so, the details of the steps taken to retrieve it?

THE MINISTER OF STATE IN THE MINISTRY OF SHIPPING (SHRI SU. THIRUNAVUKKARASAR): (a) to (c) No, Sir. However, to promote and help the domestic industry to compete globally, the recommendation of Rakesh Mohan Committee's report for introduction of Tonnage Tax Scheme for shipping sector has been pursued.

(d) The share of Indian shipping fleet in the global shipping industry is around 1.2%.

(e) to (f) Yes, Sir. However, to check this decline the Government has taken various measures such as:

- Import of all types of ships have been included in the OGL;
- Ships (including second hand ships) can be imported freely now without license as per guidelines issued by the Ministry of shipping on 15th June, 2001 and 5th March, 2002;
- 100 percent FDI is allowed in shipping sector;
- The proposed Custom duty of 5% on import of Ships in the Finance bill for 2001-2002, has been done away with.
- Enhancement of Depreciation rate from 20% to 25% for Ships.
- Section 33AC of IT Act has been made more attractive for Indian Shipping companies. The limit upto which reserves could be built up by the shipping companies for new acquisition will now include general reserves and share premium reserves also. Earlier it was limited to twice the paid up capital of the shipping companies.

Modernization of Major Ports

569. SHRI SURENDRA LATH: Will the Minister of SHIPPING be pleased to state:

(a) the amount spent on the development and the modernization of each major port during Ninth Plan period;

(b) the details thereof; and

(c) the specific development plan drawn up for Paradeep Port during Tenth Plan?

THE MINISTER OF STATE IN THE MINISTRY OF SHIPPING (SHRI SU. THIRUNAVUKKARASAR) (a) and (b) Development and modernization of major ports is an on-going process to cope with the demands of maritime trade. Towards this end, during the Ninth Plan period the major ports have created aggregate additional capacity of 124.40 MTPA through construction of additional berths and terminals, expansion/extension of existing berths, upgradation of cargo handling equipment and floating crafts through replacement